

Message Text

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ACTION ARA-10

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R 211317Z FEB 77
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STADIS////////////////////////////////

FOR ARA/EP ALLITTO AND S/P EINAUDU

E.O. 11652: N/A
TAGS: PFOR, OGEN, EC
SUBJECT: CLEARANCE OF PROPOSED SPEECH MARCH 3 TO INSTITUTO DE
ALTOS ESTUDIOS NACIONALES

1. I AM TO SPEAK AT ECUADOR'S INSTITUTO DE ALTOS ESTUDIOS NACIONALES ON MARCH 3, THE FIRST OF FOUR AMBASSADORS, INCLUDING MY SOVIET COLLEAGUE, TO ADDRESS THIS PRESTIGIOUS GROUP. THE TOPIC IS AS BROAD AS POSSIBLE - THE INTERNATIONAL SCENE, U.S. FOREIGN POLICY, ETC - AND THE IDEA IS TO GIVE THE STUDENTS A VIEW OF THE WORLD AS SEEN FROM THE DIFFERING PERSPECTIVES OF LEADING ACTORS. I WILL GIVE A 25-30 MINUTE OVERVIEW, FOLLOWED BY SHORTER PRESENTATIONS BY MY STAFF AND MYSELF ON FIVE TOPICS: U.S.-USSR RELATIONS, ARMS CONTROL, HUMAN RIGHTS, THE NORTH-SOUTH DIALOGUE AND U.S.-LATIN AMERICAN RELATIONS.

2. SINCE THESE ARE ALL SENSITIVE MATTERS AND WHAT I SAY MAY BE TAKEN AS AN INDICATION ON THE ADMINISTRATION'S VIEWS - IN SPITE OF ANY DISCLAIMER I MIGHT PUT FORTH - I WOULD APPRECIATE YOUR OBTAINING SUGGESTED CHANGES AND CLEARANCES OF MY PROPOSED REMARKS FROM YOUR COLLEAGUES WHO ARE EXPERTS IN
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THESE MATTERS.

3. THERE FOLLOWS THE DRAFT OF MY OVERVIEW STATEMENT. I WILL CABLE THE TOPICAL PRESENTATIONS DURING THE NEXT FEW DAYS. WOULD GREATLY APPRECIATE A RESPONSE BY FEB. 28 SO WE CAN GO INTO FINAL.

4. BEGIN TEXT: "THE INAUGURATION OF JIMMY CARTER AS THE 39TH PRESIDENT OF THE U.S. ONCE AGAIN GIVES MY COUNTRY THE OPPORTUNITY TO TAKE ADVANTAGE OF ITS UNIQUE POLITICAL SYSTEM. IT GIVES US THE CHANCE TO CORRECT THE ERRORS OF THE PAST, TO TAKE NEW DIRECTIONS, TO SEEK NEW SOLUTIONS TO OLD PROBLEMS.

5. "IN DIFFERENT TERMS, IT MARKS THE END OF ONE OF THE MOST TUMULTUOUS AND DIVISIVE PERIODS IN AMERICAN HISTORY SINCE THE CIVIL WAR. THE TORMENT AND ANGUISH OF VIET NAM AND WATERGATE HAVE, FOR THE MAJORITY OF AMERICANS, BEEN LEFT BEHIND--ALTHOUGH THE LESSONS LEARNED WILL NOT, I CAN ASSURE YOU, BE FORGOTTEN. THE MEMORY OF THE TURMOIL OF THE PAST TEN YEARS HAS CREATED A NEW DOMESTIC SETTING FOR U.S. FOREIGN POLICY. ONE OF THE PRINCIPLE HERITAGES OF VIET NAM, FOR INSTANCE, HAS BEEN A TURNING BACK OF DOMESTIC NEEDS AND DOMESTIC PROBLEMS. WHEN A NATIONAL SURVEY ASKED A CROSS SECTION OF THE AMERICAN PUBLIC 13 YEARS AGO HOW THEY RATED A LONG LIST OF DOMESTIC AND INTERNATIONAL PROBLEMS, THE FIVE ITEMS OF MAJOR CONCERN ALL CONCERNED FOREIGN AFFAIRS OR DEFENSE MATTERS. SINCE THAT TIME THE PRIORITIES OF THE AMERICAN PEOPLE HAVE UNDERGONE A COMPLETE REVERSAL. THUS NOW WE FIND THAT OF 31 PROBLEM AREAS ENUMERATED, TEN DOMESTIC ISSUES LED THE LIST. AND 11TH WAS KEEPING OUR MILITARY AND DEFENSE FORCES STRONG.

6. "THE CARTER ADMINISTRATION HAS RECOGNIZED THIS PUBLIC SENTIMENT--INDEED MAY HAVE BEEN ELECTED AT LEAST PARTLY BECAUSE OF THIS RECOGNITION--AND IS COMMITTED TO PUTTING OUR OWN LIMITED OFFICIAL USE

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HOUSE IN ORDER. PRESIDENT CARTER AND HIS CABINET MUST GIVE ATTENTION TO THE PROBLEMS OF INFLATION AND UNEMPLOYMENT, OF RACIAL EQUALITY, TO THE PROBLEMS OF OUR URBAN CENTERS AND PROTECTION OF THE ENVIRONMENT.

7. "AS A DIRECT HERITAGE OF THE WATERGATE AFFAIR, THE CARTER ADMINISTRATION IS DEVOTED TO OPENNESS IN GOVERNMENT--PERHAPS MORE SO THAN ANY OTHER IN HISTORY. OF COURSE, WE HAVE TRAVELED A LONG WAY FROM THE "WILSON CONCEPT" OF OPEN CONVENTIONS OPENLY ARRIVED AT: WE REALIZE THAT THE MOST IMPORTANT ELEMENTS OF DIPLOMACY AND FOREIGN AFFAIRS MUST BE CONDUCTED WITH SOME

DEGREE OF CONFIDENTIALITY. NEVERTHELESS THERE IS CONVICTION BOTH ON THE PART OF THE ADMINISTRATION AND ON THE AMERICAN PEOPLE THAT WE SHOULD ESCHEW DECEPTION WITH OUR OWN PEOPLE ABOUT FOREIGN POLICY GOALS AND TACTICS AND BE AS OPEN AS POSSIBLE.

8. "THERE HAS BEEN CONSIDERABLE CONCERN BOTH IN THE U.S.

AND ABROAD IN RECENT YEARS THAT A STRONG ISOLATIONIST TREND WAS DEVELOPING IN THE U.S. THE FINAL THEORY OF THE VIET NAM WAR AND THE AMERICAN REACTION TO IT WERE DECRIED AS MANIFESTATIONS OF THIS TREND. HOWEVER, RECENT PUBLIC OPINION POLLS AS WELL AS REACTION TO THE PRESIDENTIAL CAMPAIGN INDICATE THAT THERE IS CONTINUED PUBLIC SUPPORT FOR A STRONG INTERNATIONAL ROLE. AT THE SAME TIME, THERE IS INCREASED CAUTION REGARDING THE RIGHTOUSNESS OF ANY GIVEN FOREIGN POLICY COURSE AND A KEENER SENSE OF LIMITATIONS OF U.S. POWER--AND OUR RIGHT TO USE IT.

9. "NEVERTHELESS, MOST AMERICANS, NOW WELL-TEMPERED IN THEIR INTERNATIONALISM, REMAIN DEEPLY CONCERNED ABOUT AMERICA'S STANDING IN THE WORLD. PRESIDENT CARTER SAID IN HIS INAUGURAL ADDRESS, 'BECAUSE WE ARE FREE, WE CAN NEVER BE INDIFFERENT TO THE FATE OF FREEDOM ELSEWHERE. WE DO NOT SEEK TO INTIMIDATE, BUT IT IS CLEAR THAT A WORLD LIMITED OFFICIAL USE

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WHICH OTHERS CAN DOMINATE WITH IMPUNITY WOULD BE INHOSPITABLE TO DECENCY AND A THREAT TO THE WELL-BEING OF ALL PEOPLE'.

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STADIS////////////////////////////////////

FOR ARA/EP ALLITTO AND S/P EINAUDI

10. "THERE IS, MOREOVER, A GROWING RELIZATION AMONG THE

AMERICAN PEOPLE THAT THEIR PERSONAL WELL-BEING IS NOW AFFECTED BY EVENTS BEYOND OUR SHORES. IT USED TO BE THAT ONLY WARS TOUCHED DIRECTLY THE LIVES OF THE AMERICAN PEOPLE; OUR LARGELY SELF-SUFFICIENT ECONOMY SHELTERED US FROM THE VICISSITUDES OF THE REST OF THE GLOBE. NOW THAT HAPPY ISOLATION NO LONGER EXISTS. A DROUGHT IN RUSSIA CAN RAISE THE PRICE THAT THE HOUSEWIFE PAYS FOR BREAD AND THAT THE KANSAS FARMER RECEIVES FOR HIS WHEAT. A LEATHER WORKER IS THREATENED WITH THE LOSS OF HIS JOB AS HIS SHOE FACTORY CAN NO LONGER COMPETE WITH CHEAPER IMPORTS FROM ITALY AND SPAIN. HIS COUSIN WORKS IN A HEAVY MACHINERY PLANT AND COLLECTS OVERTIME BECAUSE OF ORDERS PLACED IN ECUADOR AND PAKISTAN. CITIZENS TURN THEIR HOMES INTO FORTRESSES TO PROTECT THEMSELVES FROM BURGLARS WHO ARE DRIVEN TO CRIME BY HEROIN WHICH IS PRODUCED THOUSANDS OF MILES BEYOND OUR SHORES. A FLOOD OF IMMIGRANTS FROM LATIN AMERICA CHANGES THE FACE OF NEIGHBORHOODS IN WASHINGTON D.C. AND MILWAUKEE, NOT TO MENTION MIAMI.

11. "IT IS AS IF WE AMERICANS HAD SUDDENLY DISCOVERED INTERDEPENDENCE--A FACT OF LIFE FOR MOST OTHER NATIONS FOR LIMITED OFFICIAL USE

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CENTURIES.

12. "WHAT THIS MEANS IS THAT THE DIVIDING LINE BETWEEN U.S. DOMESTIC POLICY AND U.S. FOREIGN POLICY HAS BECOME INCREASINGLY BLURRED. THE CARTER ADMINISTRATION, AND ANY FUTURE ADMINISTRATION, WILL HAVE TO SHAPE ITS FOREIGN POLICY WITH GREAT SENSITIVITY TO ITS DOMESTIC IMPLICATIONS. THIS DOES NOT MEAN THAT THE ADMINISTRATION WILL BE FORCED TO BEND FOREIGN POLICY TO EACH AND EVERY SPECIAL INTEREST GROUP; BUT IT DOES MEAN THAT FOREIGN POLICY WILL HAVE TO MEET THE TEST OF WHETHER IT PROVIDES THE GREATEST GOOD FOR THE GREATEST NUMBER OF INDIVIDUAL AMERICANS. AND AN OBVIOUS COROLLARY IS THAT OUR PEOPLE WILL EXPECT OUR RELATIONS WITH OTHER COUNTRIES TO BE BASED ON A REASONABLE DEGREE OF RECIPROCITY.

13. "FINALLY, THE REVELATIONS OF WATERGATE, AND OTHER SCANDALS IN BOTH THE PUBLIC AND PRIVATE SECTORS, HAVE TRIGGERED A DEMAND AMONG THE AMERICAN PUBLIC THAT OUR PUBLIC BUSINESS BE CONDUCTED WITH HONESTY, WITH A RESPECT FOR HIGH MORAL STANDARDS, AND IN HARMONY WITH TRADITIONAL AMERICAN VALUES OF INDIVIDUAL FREEDOM AND DIGNITY. THIS EMPHASIS ON UPHOLDING OUR OWN VALUES WILL BE FELT IN THE FORMULATION OF OUR FOREIGN POLICY UNDER THE CARTER ADMINISTRATION. THIS WILL BE PARTICULARLY TRUE IN STRONGER EFFORTS TOWARD THE DEFENSE OF HUMAN RIGHTS, AND A SPECIAL RELATIONSHIP WITH OTHER DEMOCRATIC SYSTEMS, WHETHER THEY BE IN ASIA, EUROPE, LATIN AMERICA OR AFRICA.

14. "INTERNATIONAL SETTING. THE STRATEGIC BALANCE THAT MUST OBVIOUSLY PLAY A SIGNIFICANT ROLE IN THE FORMULATION OF OUR FOREIGN POLICY HAS CHANGED IN SEVERAL IMPORTANT WAYS SINCE WORLD WAR II. FIRST, THERE IS A VIRTUAL STALEMATE BETWEEN THE U.S. AND THE SOVIET UNION IN NUCLEAR DESTRUCTIVENESS; EACH HAS THE POWER TO OBLITERATE THE OTHER IN MINUTES. BOTH NATIONS NOW RECOGNIZE THE SAVINGS IN ESSENTIAL RESOURCES THEY COULD ACHIEVE THROUGH PUTTING REALISTIC LIMITS ON LIMITED OFFICIAL USE

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FURTHER NUCLEAR EXPANSION, AND THE BENEFITS TO THE ENTIRE WORLD'S PEACE OF MIND THROUGH REALISTIC CONTROLS ON EXISTING NUCLEAR WEAPONS. EFFORTS TO ACHIEVE A SALT II AGREEMENT, TO BE FOLLOWED BY FURTHER LIMITATIONS AND REDUCTIONS OF THE NUCLEAR ARSENAL WILL HAVE THE HIGHEST PRIORITY OF THE CARTER ADMINISTRATION. THE SEARCH FOR THE MEANS OF AVOIDING NUCLEAR WAR AND REDUCING ITS THREAT MUST REMAIN A PRINCIPAL CONSIDERATION IN BOTH OUR DEALINGS WITH THE SOVIET UNION AND IN OUR DECISIONS REGARDING NATIONAL DEFENSE. OF EQUAL CONCERN IS THE SPREAD OF NUCLEAR TECHNOLOGY TO OTHER COUNTRIES AS WELL. CHINA AND FRANCE BOTH CONTINUE TO CONDUCT TESTING; INDIA HAS SET OFF A DEVICE; FISSIONABLE RAW MATERIALS ARE BEING SHIPPED TO OTHER COUNTRIES WITH THE POTENTIAL TO CONVERT ITSELF INTO A NUCLEAR HOLOCAUST BECAUSE OF THE PROLIFERATION OF NUCLEAR CAPABILITY.

15. "THERE IS, NEVERTHELESS, GREATER STABILITY IN TWO MAJOR AREAS OF THE WORLD. DIPLOMATIC AGREEMENTS REACHED DURING THE LAST DECADE HAVE MODERATED TENSIONS IN CENTRAL EUROPE. THERE IS UNDOUBTEDLY GREATER STABILITY IN ASIA AS A RESULT OF THE U.S. OPENING TO CHINA, CHINA'S ACCEPTANCE IN THE UNITED NATIONS, AND ITS OWN MODERATED TONE IN INTERNATIONAL AFFAIRS.

16. "THE MIDDLE EAST CONTINUES TO BE PERHAPS THE ONE REGION OF GREATEST POTENTIAL DANGER TO THE WORLD. HOWEVER, IN RECENT YEARS THE INFLUENCE OF THE UNITED STATES WITH ALL THE PARTIES TO THE DISPUTE HAS BEEN - A MODERATING FACTOR IN ITSELF - THE PARTICIPANTS THEMSELVES ARE SHOWING A TENDENCY TOWARD GREATER MODERATION. THERE SEEMS TO BE A GENERAL CONSENSUS THAT CONDITIONS ARE MORE FAVORABLE TO A GENERAL SETTLEMENT IN THAT REGION THAN THEY HAVE EVER BEEN BEFORE.

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STADIS//////////

FOR ARA/EP ALLITTO AND S/P EINAUDI

17. "ON THE NEGATIVE SIDE, WE HAVE A CONTINUED SOVIET BUILDUP OF ITS MILITARY. THERE IS EVIDENCE THAT THE USSR IS DEVOTING A DISPROPORTIONATE SHARE OF ITS NATIONAL BUDGET TO MILITARY PURPOSES, INCLUDING CONVENTIONAL FORCES OF ALL KINDS.

18. "THE SOVIETS HAVE AS WELL SHOWN THEMSELVES INCREASINGLY WILLING TO COMMIT MAJOR MILITARY RESOURCES IN OTHER AREAS OF THE WORLD. SUPPLIES TO THE ARAB BELLIGERENTS REACHED STAGGERING PROPORTIONS BEFORE, DURING AND AFTER THE 1973 ARAB-ISRAELI WAR. IN ANGOLA, ONE OF THREE CONTENDING FACTIONS WAS ABLE TO TAKE CONTROL OF THE COUNTRY ONLY BECAUSE OF ACCESS TO SOVIET WEAPONS AND MATERIAL, COMBINED WITH SUPPORT FROM CUBAN TROOPS WHO CERTAINLY WOULD NOT HAVE BEEN PROVIDED WITHOUT SOVIET ENCOURAGEMENT AND SUPPORT.

19. "THE SITUATION IN SOUTHERN AFRICA ALSO REMAINS EXPLOSIVE. IF THE LEGITIMATE DEMANDS OF THE BLACK MAJORITIES IN THE AREA ARE NOT MET SOON, THE REGION COULD BE ENGULFED IN A BLOODY CIVIL WAR WHICH WOULD ALSO INVOLVE INTERNATIONAL CONFLICT. IT IS FOR THAT REASON THAT THE CARTER ADMINISTRATION HAS GIVEN A HIGH PRIORITY TO AN ACTIVE U.S. DIPLOMATIC
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ROLE IN SOUTHERN AFRICA.

20. "THE HIGH PRIORITY WHICH THE UNITED STATES HAS ACCORDED TO ACHIEVING PEACEFUL SETTLEMENTS OF THE CONFLICTS IN THE MIDDLE EAST AND SOUTHERN AFRICA OBEYS TWO FUNDA-

MENTAL INTERESTS: FIRST, OUR INTEREST IN PEACE IN THE MIDDLE EAST AND THE SECURITY OF THE STATE OF ISRAEL REFLECTS A DEEPLY-ROOTED COMMITMENT OF THE AMERICAN PEOPLE TO THE JEWISH PEOPLE, SHARPENED BY THE DREADFUL EXPERIENCE OF WORLD WAR II. OUR INTEREST IN RACIAL JUSTICE IN SOUTHERN AFRICA STEMS FROM A SIMILARLY STRONG SENSE OF IDENTIFICATION WITH THE PEOPLE INVOLVED, AND ALSO IS INTERTWINED WITH OUR ASPIRATIONS FOR RACIAL EQUALITY AT HOME. SECOND, THE UNITED STATES, WHILE IT MAY HAVE ESCHEWED THE ROLE OF THE WORLD'S POLICEMAN, STILL BELIEVES THAT IT HAS A VITAL INTEREST IN THE AVOIDANCE OF LOCAL CONFLICTS WHICH COULD DRAW IN THE TWO SUPERPOWERS AND THUS THREATEN GLOBAL SURVIVAL. WHILE OUR METHODS OF AVOIDING LOCAL WARS MAY HAVE CHANGED FROM DIRECT UNINVOLVEMENT TO DIPLOMACY, OUR OBJECTIVES HAVE REMAINED THE SAME - A WORLD FREE FROM THE THREAT OF NUCLEAR HOLOCAUST.

21. "THESE OBSERVATIONS AGAIN BRING ME BACK TO RELATIONS WITH THE SOVIET UNION. DETENTE HAS FOR SOME TIME DRAWN GREATER ATTENTION, AND SPAWNED BRIGHTER HOPES, THAN ANY OTHER ELEMENT OF U.S. FOREIGN POLICY. YET THERE IS AN INCREASING RECOGNITION, PARTICULARLY WITHIN MY COUNTRY, THAT THE ORIGINAL HOPES WE ALL HAD FOR DETENTE MAY HAVE BEEN EXAGGERATED. THERE HAVE BEEN PROBLEMS THAT, BECAUSE THEY ARE APPARENTLY INSOLUBLE, HAVE SLOWED U.S.-SOVIET RAPPROACHMENT. IN SOVIET EYES, DETENTE APPARENTLY DOES NOT EXTEND TO ATTEMPTS TO TAKE ADVANTAGE OF LOCAL CONFLICTS AND TENSIONS IN THE MIDDLE EAST, AFRICA AND LATIN AMERICA TO GAIN UNILATERAL ADVANTAGE. NOR HAS DETENTE LIVED UP TO ITS EXPECTATIONS AS FAR AS PERMITTING A GREATER DEGREE OF PERSONAL FREEDOM IN THE COMMUNIST COUNTRIES.

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22. "THE AMERICAN PEOPLE HAVE MADE IT CLEAR THEY WISH A GREATER QUID PRO QUO IN OUR DEALINGS WITH THE SOVIET UNION. FOR EXAMPLE THE ORIGINAL SOVIET PURCHASE OF U.S. WHEAT UNDER TERMS THAT, DUE TO FAVORABLE MARKET CONDITIONS, GAVE THE USSR A TREMENDOUS ADVANTAGE DREW A SHARP REBUKE FROM THE PUBLIC; WE HAVE SINCE WORKED OUT AN ARRANGEMENT THAT IN FACT GUARANTEES A BETTER BREAK FOR THE U.S. SUPPLIERS, CONSUMERS, FARMERS, ETC. AMERICANS HAVE LESS HOPE FOR OUR ABILITY TO LINK CONCESSIONS TO THE SOVIET UNION ON ONE ISSUE TO CONCESSIONS FROM THE SOVIET UNION ON ANOTHER ISSUE. INSTEAD, WE WILL SEEK STRICT RECIPROCITY WITHIN EACH PROBLEM AREA. THIS DOES NOT MEAN THAT OUR ABILITY TO MAKE PROGRESS ON OUR SPECIFIC PROBLEMS WITH THE SOVIET UNION WILL NOT BE AFFECTED BY THE GENERAL CLIMATE OF OUR RELATIONSHIPS. DEVELOPMENTS, FOR EXAMPLE, ON HUMAN RIGHTS ARE BOUND TO AFFECT AMERICAN ATTITUDES TOWARD THE USSR. BUT THE VALUE

OF NEGOTIATIONS ON SPECIFIC ISSUES WILL ALSO BE JUDGED
LARGELY ON THEIR OWN MERITS.

23. "PERHAPS THE MOST SIGNIFICANT CHANGE IN THE INTERNATIONAL
ENVIRONMENT FACING THE UNITED STATES IS THAT ECONOMIC ISSUES
HAVE NOW ASSUMED AN EQUAL FOOTING WITH POLITICAL AND SECURITY
CONCERNS. I HAVE ALREADY REFERRED TO THE GROWING REALIZATION
THAT THE WELL-BEING OF THE AMERICAN PEOPLE IS INEXTRICABLY
LINKED WITH THAT OF OTHER NATIONS, AND THIS SENSE OF INTER-
DEPENDENCE INCLUDES RELATIONS WITH THE DEVELOPING WORLD, AS
WELL AS OUR TRADITIONAL LINKS WITH THE INDUSTRIALIZED NATIONS.

24. "IN THIS RESPECT THERE HAVE BEEN TWO SIGNAL EVENTS IN
THE 1970S. THE FIRST WAS THE ABANDONMENT IN 1971 BY THE
UNITED STATES OF A FIXED GOLD-DOLLAR PARITY AND THE CONSEQUENT
ADOPTION OF A SYSTEM OF FLOATING, OR AT LEAST ADJUSTABLE,
EXCHANGE RATES. THIS DECISION REFLECTED THE INCREASINGLY
RECIPROCAL IMPACT OF THE ECONOMICS OF THE INDUSTRIALIZED
COUNTRIES ON ONE ANOTHER AND THUS THE IMPERATIVE OF A CLOSE
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SYNCHRONIZATION OF ECONOMIC POLICIES AMONG THE UNITED
STATES, WESTERN EUROPE, AND JAPAN.

25. "THE SECOND LANDMARK EVENT WAS THE FOUR-FOLD INCREASE
IN OIL PRICES EFFECTED BY THE OPEC STATES IN 1973-74. THIS
EVENT BROUGHT HOME TO THE INDUSTRIALIZED NATIONS THE NEED TO
ADJUST THE INTERNATIONAL ECONOMIC SYSTEM TO IMPROVE THE
CONDITIONS OF TRADE AND INVESTMENT FOR THE DEVELOPING MAJORITY
OF THE WORLD. THE OIL CRISIS HAS NOT ONLY BROUGHT TO LIGHT
THE VULNERABILITY OF INDUSTRIAL ECONOMIES TO SHARP FLUCTUATIONS
IN THE SUPPLY AND PRICE OF THE RAW MATERIALS THEY USE.
IT HAS ALSO UNDERLINED THE PLIGHT OF THE POOR COUNTRIES,
ESPECIALLY THOSE WHO THEMSELVES ARE HIGHLY DEPENDENT ON
IMPORTS, WHETHER OF PETROLEUM OR MANUFACTURED GOOD. THESE
COUNTRIES MUST BE ABLE TO ENJOY A STABLE INFLOW OF FOREIGN
EXCHANGE THROUGH THEIR OWN EXPORTS AND ADEQUATE ACCESS
TO FOREIGN CAPITAL, WITHOUT SEEING THEIR PURCHASING POWER
ERODED BY GLOBAL INFLATION.

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STADIS//////////

FOR ARA/EP ALLITTO AND S/P EINAUDI

26. "IN A BROADER SENSE, THERE IS NOW AN ALMOST UNIVERSAL CONSENSUS THAT A PEACEFUL, PROSPEROUS WORLD ORDER IS A CONDITION FOR THE SOCIAL AND ECONOMIC WELL-BEING OF EACH AND EVERY NATION AND THAT TO CONSTRUCT SUCH A WORLD ORDER THE COOPERATION OF ALL NATIONS, LARGE AND SMALL, DEVELOPED OR UNDERDEVELOPED, IS ESSENTIAL.

27. "THUS, THE NEW INTERNATIONAL AGENDA NOW INCLUDES NOT ONLY THE PROBLEMS OF PEACE, BUT ALSO ISSUES SUCH AS A LAW OF THE SEA TO GOVERN THE EXPLOITATION OF THE OCEANS' RESOURCES, INTERNATIONAL STANDARDS TO AVOID THE POLLUTION AND DESTRUCTION OF THE ENVIRONMENT, AGREEMENTS AMONG STATES TO DETER AND PUNISH INTERNATIONAL TERRORISM. COOPERATION TO STAMP OUT THE TRADE IN NARCOTICS, EFFORTS TO COMBAT FAMIN AND MALNUTRITION, AND WAYS OF DEALING WITH THE IMPACT OF THE POPULATION EXPLOSION.

28. "THESE PROBLEMS MAKE ONE POINT QUITE CLEAR: THE NORTH MUST DIALOGUE WITH THE SOUTH. THE INCENTIVE IS NOT JUST ONE OF HUMANITARIANISM, BUT OF NATIONAL SELF-INTEREST. THIS INDEED IS THE MOST LOGICAL APPEAL TO THOSE STATES WITH RESOURCES--IT IS INCREASINGLY UNACCEPTABLE TO USE LIMITED OFFICIAL USE

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ECONOMIC OR POLITICAL PRESSURE FOR CORRECTING PERCEIVED ECONOMIC INJUSTICE, WHETHER SUCH EFFORTS TAKE THE FORM OF A PRODUCERS' CARTER OR TRADE DISCRIMINATION.

29. "FOREIGN POLICY PRINCIPLES AND PRIORITIES FOR THE FUTURE. FROM THE BACKGROUND THAT I HAVE JUST REVIEWED CONCERNING THE SITUATION IN THE UNITED STATES AND IN THE WORLD AT THE PRESENT TIME, I BELIEVE THAT YOU CAN PERCEIVE SOME BASIC PRINCIPLES WHICH WILL MOTIVATE OUR FOREIGN POLICY DURING THIS ADMINISTRATION. AND FROM THESE PRINCIPLES

THERE CAN BE DERIVED AT LEAST FIVE DIFFERENT PRIORITY AREAS WHICH I WOULD LIKE TO MENTION IN PASSING NOW BUT WHICH WILL BE THE SUBJECT OF THE MORE DETAILED DISCUSSIONS DURING THE NEXT HOUR CONDUCTED BY MYSELF AND MY STAFF.

30. "THE FIRST PRINCIPLE IS OBVIOUSLY THE MAINTENANCE OF PEACE IN THE WORLD. FLOWING FROM THIS IS THE PRIORITY ISSUE OF AVOIDANCE OF NUCLEAR WAR THROUGH LIMITATIONS AND EVENTUAL REDUCTIONS OF NUCLEAR WEAPONS, THE MAINTENANCE OF A STRATEGIC ARMS BALANCE WITH THE USSR AND MORE EFFECTIVE NON-PROLIFERATION. INCREASED INTERNATIONAL COOPERATION TO CONTROL THE SPREAD OF CONVENTIONAL ARMS IS ALSO A PRIORITY FOR THE PROMOTION OF PEACE.

31. "THE SECOND PRINCIPLE IS THAT WE MUST HAVE POLICIES WHICH RESPOND TO FUNDAMENTAL AMERICAN VALUES. IN PARTICULAR, THE UNITED STATES MUST TAKE INTO ACCOUNT HUMAN RIGHTS IN FORMULATING ITS POLICIES TOWARDS OTHER NATIONS. WITHOUT BEING INTERVENTIONISTS, I BELIEVE THAT WE CAN MAKE THIS CONCERN A MAJOR FOCUS OF OUR FOREIGN POLICY CALCULATIONS. THUS, HUMAN RIGHTS WILL BE THE THIRD PRIORITY AREA FOR THE FUTURE.

31. "ANOTHER PRINCIPLE IS THE NEED FOR POLICY INITIATIVES THAT WILL CONTRIBUTE TO BUILDING A MORE JUST, PROSPEROUS, AND HOPEFUL WORLD--IN SHORT THE KIND OF WORLD WE WOULD LIMITED OFFICIAL USE

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LIKE OUR CHILDREN AND GRANDCHILDREN TO LIVE IN. NOTHING CAN BE MORE IMPORTANT UNDER THIS HEADING THAN CONCERN FOR ECONOMIC DEVELOPMENT AND HUMAN DIGNITY OF THE PEOPLE OF THE DEVELOPING WORLD. THUS* A FOURTH PRIORITY WILL BE TO MAKE PROGRESS ON THE NORTH/SOUTH DIALOGUE. AND WE ALSO MUST STRENGTHEN COOPERATION AMONG COUNTRIES WHICH ARE TRADITIONALLY AND IDEOLOGICALLY CLOSE TO US. OUR RELATIONS WITH LATIN AMERICA INTERSECT BOTH OF THESE PRIORITIES AND I WOULD LIKE TO RETURN TO THIS SUBJECT DURING THE NEXT HOUR." END TEXT.
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